

# COMMITTEE REPORT

## MADAM PRESIDENT:

**The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 260, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:**

- 1           Page 1, between the enacting clause and line 1, begin a new
- 2           paragraph and insert:
- 3           "SECTION 1. IC 6-1.1-4-12 IS AMENDED TO READ AS
- 4           FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]:
- 5           Sec. 12. (a) As used in this section, "land developer" means a
- 6           person that holds land for sale in the ordinary course of the
- 7           person's trade or business.
- 8           (b) As used in this section, "land in inventory" means:
- 9           (1) a lot; or
- 10          (2) a tract that has not been subdivided into lots;
- 11          to which a land developer holds title in the ordinary course of the
- 12          land developer's trade or business.
- 13          (c) As used in this section, "title" refers to legal or equitable
- 14          title, including the interest of a contract purchaser.
- 15          (d) Except as provided in subsections (h) and (i), if:
- 16           (1) land assessed on an acreage basis is subdivided into lots; ~~the~~
- 17           ~~land shall be reassessed on the basis of lots. If or~~
- 18           (2) land is rezoned for, or put to, a different use;
- 19          the land shall be reassessed on the basis of its new classification.
- 20          (e) If improvements are added to real property, the improvements
- 21          shall be assessed.

(f) An assessment or reassessment made under this section is effective on the next assessment date. ~~However, if land assessed on an acreage basis is subdivided into lots, the lots may not be reassessed until the next assessment date following a transaction which results in a change in legal or equitable title to that lot.~~

(g) No petition to the department of local government finance is necessary with respect to an assessment or reassessment made under this section.

**(h) Subject to subsection (i), land in inventory may not be reassessed until the next assessment date following the earlier of:**

**(1) the date title to the land is transferred by:**

**(A) the land developer; or**

**(B) a successor land developer that acquires title to the land;**

**to a person that is not a land developer; or**

**(2) the date on which construction of a structure begins on the land.**

**(i) Subsection (h) applies regardless of whether the land in inventory is rezoned while a land developer holds title to the land.**

SECTION 2. IC 6-1.1-5.5-5, AS AMENDED BY P.L.228-2005, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. **(a)** The department of local government finance shall prescribe a sales disclosure form for use under this chapter. The form prescribed by the department of local government finance must include at least the following information:

(1) The key number of the parcel (as defined in IC 6-1.1-1-8.5).

(2) Whether the entire parcel is being conveyed.

(3) The address of the property.

(4) The date of the execution of the form.

(5) The date the property was transferred.

(6) Whether the transfer includes an interest in land or improvements, or both.

(7) Whether the transfer includes personal property.

(8) An estimate of any personal property included in the transfer.

(9) The name, address, and telephone number of:

(A) each transferor and transferee; and

(B) the person that prepared the form.

(10) The mailing address to which the property tax bills or other

- 1 official correspondence should be sent.
- 2 (11) The ownership interest transferred.
- 3 (12) The classification of the property (as residential, commercial,
- 4 industrial, agricultural, vacant land, or other).
- 5 (13) The total price actually paid or required to be paid in
- 6 exchange for the conveyance, whether in terms of money,
- 7 property, a service, an agreement, or other consideration, but
- 8 excluding tax payments and payments for legal and other services
- 9 that are incidental to the conveyance.
- 10 (14) The terms of seller provided financing, such as interest rate,
- 11 points, type of loan, amount of loan, and amortization period, and
- 12 whether the borrower is personally liable for repayment of the
- 13 loan.
- 14 (15) Any family or business relationship existing between the
- 15 transferor and the transferee.
- 16 (16) Other information as required by the department of local
- 17 government finance to carry out this chapter.

18 If a form under this section includes the telephone number or the Social

19 Security number of a party, the telephone number or the Social Security

20 number is confidential.

21 **(b) The instructions for completing the form described in**

22 **subsection (a) must include the information described in**

23 **IC 6-1.1-12-43(c)(1).**

24 SECTION 3. IC 6-1.1-5.5-6 IS AMENDED TO READ AS

25 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) The county

26 auditor may not accept a conveyance document if:

- 27 (1) the sales disclosure form signed by all the parties and attested
- 28 as required under section 9 of this chapter is not included with the
- 29 document; or
- 30 (2) the sales disclosure form does not contain the information
- 31 described in ~~section 5~~ **section 5(a)** of this chapter.

32 (b) The county recorder shall not record a conveyance document

33 without evidence that the parties have filed a completed sales disclosure

34 form with the county auditor."

35 Page 9, between lines 29 and 30, begin a new paragraph and insert:

36 "SECTION 15. IC 6-1.1-12.1-4.5 IS AMENDED TO READ AS

37 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 4.5. (a) For purposes

38 of this section, "personal property" means personal property other than

1 inventory (as defined in IC 6-1.1-3-11(a)).

2 (b) An applicant must provide a statement of benefits to the  
3 designating body. The applicant must provide the completed statement  
4 of benefits form to the designating body before the hearing specified in  
5 section 2.5(c) of this chapter or before the installation of the new  
6 manufacturing equipment, new research and development equipment,  
7 new logistical distribution equipment, or new information technology  
8 equipment for which the person desires to claim a deduction under this  
9 chapter. The department of local government finance shall prescribe a  
10 form for the statement of benefits. The statement of benefits must  
11 include the following information:

12 (1) A description of the new manufacturing equipment, new  
13 research and development equipment, new logistical distribution  
14 equipment, or new information technology equipment that the  
15 person proposes to acquire.

16 (2) With respect to:

17 (A) new manufacturing equipment not used to dispose of solid  
18 waste or hazardous waste by converting the solid waste or  
19 hazardous waste into energy or other useful products; and

20 (B) new research and development equipment, new logistical  
21 distribution equipment, or new information technology  
22 equipment;

23 an estimate of the number of individuals who will be employed or  
24 whose employment will be retained by the person as a result of  
25 the installation of the new manufacturing equipment, new research  
26 and development equipment, new logistical distribution  
27 equipment, or new information technology equipment and an  
28 estimate of the annual salaries of these individuals.

29 (3) An estimate of the cost of the new manufacturing equipment,  
30 new research and development equipment, new logistical  
31 distribution equipment, or new information technology equipment.

32 (4) With respect to new manufacturing equipment used to dispose  
33 of solid waste or hazardous waste by converting the solid waste  
34 or hazardous waste into energy or other useful products, an  
35 estimate of the amount of solid waste or hazardous waste that will  
36 be converted into energy or other useful products by the new  
37 manufacturing equipment.

38 The statement of benefits may be incorporated in a designation

1 application. Notwithstanding any other law, a statement of benefits is  
2 a public record that may be inspected and copied under IC 5-14-3-3.

3 (c) The designating body must review the statement of benefits  
4 required under subsection (b). The designating body shall determine  
5 whether an area should be designated an economic revitalization area  
6 or whether the deduction shall be allowed, based on (and after it has  
7 made) the following findings:

8 (1) Whether the estimate of the cost of the new manufacturing  
9 equipment, new research and development equipment, new  
10 logistical distribution equipment, or new information technology  
11 equipment is reasonable for equipment of that type.

12 (2) With respect to:

13 (A) new manufacturing equipment not used to dispose of solid  
14 waste or hazardous waste by converting the solid waste or  
15 hazardous waste into energy or other useful products; and

16 (B) new research and development equipment, new logistical  
17 distribution equipment, or new information technology  
18 equipment;

19 whether the estimate of the number of individuals who will be  
20 employed or whose employment will be retained can be  
21 reasonably expected to result from the installation of the new  
22 manufacturing equipment, new research and development  
23 equipment, new logistical distribution equipment, or new  
24 information technology equipment.

25 (3) Whether the estimate of the annual salaries of those  
26 individuals who will be employed or whose employment will be  
27 retained can be reasonably expected to result from the proposed  
28 installation of new manufacturing equipment, new research and  
29 development equipment, new logistical distribution equipment, or  
30 new information technology equipment.

31 (4) With respect to new manufacturing equipment used to dispose  
32 of solid waste or hazardous waste by converting the solid waste  
33 or hazardous waste into energy or other useful products, whether  
34 the estimate of the amount of solid waste or hazardous waste that  
35 will be converted into energy or other useful products can be  
36 reasonably expected to result from the installation of the new  
37 manufacturing equipment.

38 (5) Whether any other benefits about which information was

requested are benefits that can be reasonably expected to result from the proposed installation of new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

(6) Whether the totality of benefits is sufficient to justify the deduction.

The designating body may not designate an area an economic revitalization area or approve the deduction unless it makes the findings required by this subsection in the affirmative.

(d) Except as provided in subsection (h), **and subject to subsection (i)**, an owner of new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment whose statement of benefits is approved after June 30, 2000, is entitled to a deduction from the assessed value of that equipment for the number of years determined by the designating body under subsection (g). Except as provided in subsection (f) and in section 2(i)(3) of this chapter, **and subject to subsection (i)**, the amount of the deduction that an owner is entitled to for a particular year equals the product of:

(1) the assessed value of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment in the year of deduction under the appropriate table set forth in subsection (e); multiplied by

(2) the percentage prescribed in the appropriate table set forth in subsection (e).

(e) The percentage to be used in calculating the deduction under subsection (d) is as follows:

(1) For deductions allowed over a one (1) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd and thereafter	0%

(2) For deductions allowed over a two (2) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	50%
3rd and thereafter	0%

(3) For deductions allowed over a three (3) year period:

1	YEAR OF DEDUCTION	PERCENTAGE
2	1st	100%
3	2nd	66%
4	3rd	33%
5	4th and thereafter	0%
6	(4) For deductions allowed over a four (4) year period:	
7	YEAR OF DEDUCTION	PERCENTAGE
8	1st	100%
9	2nd	75%
10	3rd	50%
11	4th	25%
12	5th and thereafter	0%
13	(5) For deductions allowed over a five (5) year period:	
14	YEAR OF DEDUCTION	PERCENTAGE
15	1st	100%
16	2nd	80%
17	3rd	60%
18	4th	40%
19	5th	20%
20	6th and thereafter	0%
21	(6) For deductions allowed over a six (6) year period:	
22	YEAR OF DEDUCTION	PERCENTAGE
23	1st	100%
24	2nd	85%
25	3rd	66%
26	4th	50%
27	5th	34%
28	6th	25%
29	7th and thereafter	0%
30	(7) For deductions allowed over a seven (7) year period:	
31	YEAR OF DEDUCTION	PERCENTAGE
32	1st	100%
33	2nd	85%
34	3rd	71%
35	4th	57%
36	5th	43%
37	6th	29%
38	7th	14%

1	8th and thereafter	0%
2	(8) For deductions allowed over an eight (8) year period:	
3	YEAR OF DEDUCTION	PERCENTAGE
4	1st	100%
5	2nd	88%
6	3rd	75%
7	4th	63%
8	5th	50%
9	6th	38%
10	7th	25%
11	8th	13%
12	9th and thereafter	0%
13	(9) For deductions allowed over a nine (9) year period:	
14	YEAR OF DEDUCTION	PERCENTAGE
15	1st	100%
16	2nd	88%
17	3rd	77%
18	4th	66%
19	5th	55%
20	6th	44%
21	7th	33%
22	8th	22%
23	9th	11%
24	10th and thereafter	0%
25	(10) For deductions allowed over a ten (10) year period:	
26	YEAR OF DEDUCTION	PERCENTAGE
27	1st	100%
28	2nd	90%
29	3rd	80%
30	4th	70%
31	5th	60%
32	6th	50%
33	7th	40%
34	8th	30%
35	9th	20%
36	10th	10%
37	11th and thereafter	0%
38	(f) With respect to new manufacturing equipment and new research	



and development equipment installed before March 2, 2001, the deduction under this section is the amount that causes the net assessed value of the property after the application of the deduction under this section to equal the net assessed value after the application of the deduction under this section that results from computing:

(1) the deduction under this section as in effect on March 1, 2001; and

(2) the assessed value of the property under 50 IAC 4.2, as in effect on March 1, 2001, or, in the case of property subject to IC 6-1.1-8, 50 IAC 5.1, as in effect on March 1, 2001.

(g) For an economic revitalization area designated before July 1, 2000, the designating body shall determine whether a property owner whose statement of benefits is approved after April 30, 1991, is entitled to a deduction for five (5) or ten (10) years. For an economic revitalization area designated after June 30, 2000, the designating body shall determine the number of years the deduction is allowed. However, the deduction may not be allowed for more than ten (10) years. This determination shall be made:

(1) as part of the resolution adopted under section 2.5 of this chapter; or

(2) by resolution adopted within sixty (60) days after receiving a copy of a property owner's certified deduction application from the county auditor. A certified copy of the resolution shall be sent to the county auditor.

A determination about the number of years the deduction is allowed that is made under subdivision (1) is final and may not be changed by following the procedure under subdivision (2).

(h) The owner of new manufacturing equipment that is directly used to dispose of hazardous waste is not entitled to the deduction provided by this section for a particular assessment year if during that assessment year the owner:

(1) is convicted of a violation under IC 13-7-13-3 (repealed), IC 13-7-13-4 (repealed), or IC 13-30-6; or

(2) is subject to an order or a consent decree with respect to property located in Indiana based on a violation of a federal or state rule, regulation, or statute governing the treatment, storage, or disposal of hazardous wastes that had a major or moderate potential for harm.

(i) For purposes of subsection (d), the assessed value of new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment that is part of an owner's assessable depreciable personal property in a single taxing district subject to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 is the product of:

(1) the assessed value of the equipment determined without regard to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9; multiplied by

(2) the quotient of:

(A) the amount of the valuation limitation determined under 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 for all of the owner's depreciable personal property in the taxing district; divided by

(B) the total true tax value of all of the owner's depreciable personal property in the taxing district that is subject to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 determined:

(i) under the depreciation schedules in the rules of the department of local government finance before any adjustment for abnormal obsolescence; and

(ii) without regard to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9."

Page 10, between lines 13 and 14, begin a new paragraph and insert:  
"SECTION 17. IC 6-1.1-15-4, AS AMENDED BY P.L.199-2005, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) After receiving a petition for review which is filed under section 3 of this chapter, the Indiana board shall conduct a hearing at its earliest opportunity. The Indiana board may:

(1) assign:

(A) full;

(B) limited; or

(C) no;

evidentiary value to the assessed valuation of tangible property determined by stipulation submitted as evidence of a comparable sale; and

(2) correct any errors that may have been made, and adjust the

1 assessment in accordance with the correction.

2 (b) If the Indiana board conducts a site inspection of the property as  
3 part of its review of the petition, the Indiana board shall give notice to  
4 all parties of the date and time of the site inspection. The Indiana board  
5 is not required to assess the property in question. The Indiana board  
6 shall give notice of the date fixed for the hearing, by mail, to the  
7 taxpayer and to the appropriate township assessor, county assessor, and  
8 county auditor. With respect to an appeal of the assessment of real  
9 property or personal property filed after June 30, 2005, the notice must  
10 include the following:

11 (1) The action of the county property tax assessment board of  
12 appeals with respect to the appealed items.

13 (2) A statement that a taxing unit receiving the notice from the  
14 county auditor under subsection (c) may:

15 (A) attend the hearing; and

16 (B) offer testimony.

17 ~~A taxing unit that receives a notice from the county auditor under~~  
18 ~~subsection (c) is not a party to the appeal.~~ The Indiana board shall give  
19 these notices at least thirty (30) days before the day fixed for the  
20 hearing. The property tax assessment board of appeals that made the  
21 determination under appeal under this section may, with the approval  
22 of the county executive, file an amicus curiae brief in the review  
23 proceeding under this section. The expenses incurred by the property  
24 tax assessment board of appeals in filing the amicus curiae brief shall  
25 be paid from the property reassessment fund under IC 6-1.1-4-27.5. The  
26 executive of a taxing unit may file an amicus curiae brief in the review  
27 proceeding under this section if the property whose assessment is under  
28 appeal is subject to assessment by that taxing unit.

29 (c) If, after receiving notice of a hearing under subsection (b), the  
30 county auditor determines that the assessed value of the appealed items  
31 constitutes at least one percent (1%) of the total gross certified assessed  
32 value of a particular taxing unit for the assessment date immediately  
33 preceding the assessment date for which the appeal was filed, the  
34 county auditor shall send a copy of the notice to the affected taxing  
35 unit. **A taxing unit that receives a notice from the county auditor**  
36 **under this subsection is not a party to the appeal.** Failure of the  
37 county auditor to send a copy of the notice to the affected taxing unit  
38 does not affect the validity of the appeal or delay the appeal.

1 (d) If a petition for review does not comply with the Indiana board's  
 2 instructions for completing the form prescribed under section 3 of this  
 3 chapter, the Indiana board shall return the petition to the petitioner and  
 4 include a notice describing the defect in the petition. The petitioner then  
 5 has thirty (30) days from the date on the notice to cure the defect and  
 6 file a corrected petition. The Indiana board shall deny a corrected  
 7 petition for review if it does not substantially comply with the Indiana  
 8 board's instructions for completing the form prescribed under section  
 9 3 of this chapter.

10 (e) The Indiana board shall prescribe a form for use in processing  
 11 petitions for review of actions by the county property tax assessment  
 12 board of appeals. The Indiana board shall issue instructions for  
 13 completion of the form. The form must require the Indiana board to  
 14 indicate agreement or disagreement with each item that is:

- 15 (1) if the county or township official held a preliminary conference
- 16 under section 1(f) of this chapter, indicated on the petition
- 17 submitted under that section by the taxpayer and the official; and
- 18 (2) included in the county property tax assessment board of
- 19 appeals' findings, record, and determination under section 2.1(d) of
- 20 this chapter.

21 The form must also require the Indiana board to indicate the issues in  
 22 dispute and its reasons in support of its resolution of those issues.

23 (f) After the hearing the Indiana board shall give the petitioner, the  
 24 township assessor, the county assessor, **and** the county auditor: ~~and the~~  
 25 ~~affected taxing units required to be notified under subsection (c):~~

- 26 (1) notice, by mail, of its final determination;
- 27 (2) a copy of the form completed under subsection (e); and
- 28 (3) notice of the procedures they must follow in order to obtain
- 29 court review under section 5 of this chapter.

30 **The county auditor shall provide copies of the documents described**  
 31 **in subdivisions (1) through (3) to the taxing units entitled to notice**  
 32 **under subsection (c).**

33 (g) Except as provided in subsection (h), the Indiana board shall  
 34 conduct a hearing not later than nine (9) months after a petition in  
 35 proper form is filed with the Indiana board, excluding any time due to  
 36 a delay reasonably caused by the petitioner.

37 (h) With respect to an appeal of a real property assessment that takes  
 38 effect on the assessment date on which a general reassessment of real

property takes effect under IC 6-1.1-4-4, the Indiana board shall conduct a hearing not later than one (1) year after a petition in proper form is filed with the Indiana board, excluding any time due to a delay reasonably caused by the petitioner.

(i) Except as provided in subsection (j), the Indiana board shall make a determination not later than the later of:

(1) ninety (90) days after the hearing; or

(2) the date set in an extension order issued by the Indiana board.

(j) With respect to an appeal of a real property assessment that takes effect on the assessment date on which a general reassessment of real property takes effect under IC 6-1.1-4-4, the Indiana board shall make a determination not later than the later of:

(1) one hundred eighty (180) days after the hearing; or

(2) the date set in an extension order issued by the Indiana board.

(k) ~~Except as provided in subsection (p);~~ The Indiana board may not extend the final determination date under subsection (i) or (j) by more than one hundred eighty (180) days. If the Indiana board fails to make a final determination within the time allowed by this ~~subsection;~~ **section after a hearing**, the entity that initiated the petition may:

(1) take no action and wait for the Indiana board to make a final determination; or

(2) petition for judicial review under section 5(g) of this chapter.

(l) A final determination must include separately stated findings of fact for all aspects of the determination. Findings of ultimate fact must be accompanied by a concise statement of the underlying basic facts of record to support the findings. Findings must be based exclusively upon the evidence on the record in the proceeding and on matters officially noticed in the proceeding. Findings must be based upon a preponderance of the evidence.

(m) The Indiana board may limit the scope of the appeal to the issues raised in the petition and the evaluation of the evidence presented to the county property tax assessment board of appeals in support of those issues only if all persons participating in the hearing required under subsection (a) agree to the limitation. A person participating in the hearing required under subsection (a) is entitled to introduce evidence that is otherwise proper and admissible without regard to whether that evidence has previously been introduced at a hearing before the county property tax assessment board of appeals.

- 1 (n) The Indiana board:
- 2 (1) may require the parties to the appeal to file not more than five
- 3 (5) business days before the date of the hearing required under
- 4 subsection (a) documentary evidence or summaries of statements
- 5 of testimonial evidence; and
- 6 (2) may require the parties to the appeal to file not more than
- 7 fifteen (15) business days before the date of the hearing required
- 8 under subsection (a) lists of witnesses and exhibits to be introduced
- 9 at the hearing.
- 10 (o) A party to a proceeding before the Indiana board shall provide to
- 11 another party to the proceeding the information described in subsection
- 12 (n) if the other party requests the information in writing at least ten (10)
- 13 days before the deadline for filing of the information under subsection
- 14 (n).
- 15 (p) The county assessor may:
- 16 (1) appear as an additional party if the notice of appearance is filed
- 17 before the review proceeding; or
- 18 (2) with the approval of the township assessor, represent the
- 19 township assessor;
- 20 in a review proceeding under this section.
- 21 (q) The Indiana board may base its final determination on a
- 22 stipulation between the respondent and the petitioner. If the final
- 23 determination is based on a stipulated assessed valuation of tangible
- 24 property, the Indiana board may order the placement of a notation on
- 25 the permanent assessment record of the tangible property that the
- 26 assessed valuation was determined by stipulation. The Indiana board
- 27 may:
- 28 (1) order that a final determination under this subsection has no
- 29 precedential value; or
- 30 (2) specify a limited precedential value of a final determination
- 31 under this subsection."
- 32 Page 11, line 27, after "." insert **"If the county auditor makes the**
- 33 **amendment as a result of information provided to the county**
- 34 **auditor by an assessor, the county auditor shall give notice of the**
- 35 **public hearing to the assessor."**
- 36 Page 11, line 31, delete "if the amendment under subsection (d) is"
- 37 and insert **"if:"**.
- 38 Page 11, delete line 32.

- 1 Page 11, line 33, after "(1)" insert **"the amendment under**  
 2 **subsection (d) is proposed to"**.  
 3 Page 11, line 35, delete "or".  
 4 Page 11, line 36, after "(2)" insert **"the amendment under**  
 5 **subsection (d) is proposed to"**.  
 6 Page 11, line 39, delete "." and insert **"; or**  
 7 **(3) the county auditor determines that the amendment under**  
 8 **subsection (d) will not result in an increase in the tax rate or**  
 9 **tax rates of the political subdivision."**.  
 10 Page 11, between lines 39 and 40, begin a new paragraph and insert:  
 11 "SECTION 21. IC 6-1.1-17-5 IS AMENDED TO READ AS  
 12 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) The officers  
 13 of political subdivisions shall meet each year to fix the budget, tax rate,  
 14 and tax levy of their respective subdivisions for the ensuing budget year  
 15 as follows:  
 16 (1) The fiscal body of a consolidated city and county, not later than  
 17 the last meeting of the fiscal body in September.  
 18 (2) The fiscal body of a second class city, not later than September  
 19 30.  
 20 (3) The board of school trustees of a school corporation that is  
 21 located in a city having a population of more than one hundred five  
 22 thousand (105,000) but less than one hundred twenty thousand  
 23 (120,000), not later than:  
 24 (A) the time required in section 5.6(b) of this chapter; or  
 25 (B) September 20 if a resolution adopted under section 5.6(d) of  
 26 this chapter is in effect.  
 27 (4) The proper officers of all other political subdivisions, not later  
 28 than September 20.  
 29 Except in a consolidated city and county and in a second class city, the  
 30 public hearing required by section 3 of this chapter must be completed  
 31 at least ten (10) days before the proper officers of the political  
 32 subdivision meet to fix the budget, tax rate, and tax levy. In a  
 33 consolidated city and county and in a second class city, that public  
 34 hearing, by any committee or by the entire fiscal body, may be held at  
 35 any time after introduction of the budget.  
 36 (b) Ten (10) or more taxpayers may object to a budget, tax rate, or tax  
 37 levy of a political subdivision fixed under subsection (a) by filing an  
 38 objection petition with the proper officers of the political subdivision

not more than seven (7) days after the hearing. The objection petition must specifically identify the provisions of the budget, tax rate, and tax levy to which the taxpayers object.

(c) If a petition is filed under subsection (b), the fiscal body of the political subdivision shall adopt with its budget a finding concerning the objections in the petition and any testimony presented at the adoption hearing.

(d) This subsection does not apply to a school corporation. Each year at least two (2) days before the first meeting of the county board of tax adjustment held under IC 6-1.1-29-4, a political subdivision shall file with the county auditor:

(1) a statement of the tax rate and levy fixed by the political subdivision for the ensuing budget year;

**(2) a statement that specifies the amount and revenue sources used to temporarily decrease the tax rate and levy fixed by the political subdivision for the ensuing budget year, in the form prescribed by the department of local government finance;**

~~(2)~~ (3) two (2) copies of the budget adopted by the political subdivision for the ensuing budget year; and

~~(3)~~ (4) two (2) copies of any findings adopted under subsection (c).

Each year the county auditor shall present these items to the county board of tax adjustment at the board's first meeting.

(e) In a consolidated city and county and in a second class city, the clerk of the fiscal body shall, notwithstanding subsection (d), file the adopted budget and tax ordinances with the county board of tax adjustment within two (2) days after the ordinances are signed by the executive, or within two (2) days after action is taken by the fiscal body to override a veto of the ordinances, whichever is later.

(f) If a fiscal body does not fix the budget, tax rate, and tax levy of the political subdivisions for the ensuing budget year as required under this section, the most recent annual appropriations and annual tax levy are continued for the ensuing budget year.

SECTION 22. IC 6-1.1-17-15.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 15.2 (a) This section does not apply to a school corporation.**

**(b) When the county auditor certifies the levy, tax rate, and budget of a political subdivision to the department of local**



government finance for review, the county auditor shall forward with the political subdivision's levy, tax rate, and budget the political subdivision's statement that specifies the amount and revenue sources used to temporarily decrease the tax rate and levy fixed by the political subdivision for the ensuing budget year, in the form prescribed by the department of local government finance."

Page 14, between lines 39 and 40, begin a new paragraph and insert:

**"Levy excess" has the meaning set forth in section 17 of this chapter."**

Page 15, between lines 13 and 14, begin a new paragraph and insert:

**"Temporary adjustment" refers to an adjustment in the part of a civil taxing unit's ad valorem property tax levy subject to the ad valorem property tax limits under section 3 of this chapter that results from the inclusion of any of the following in the civil taxing unit's levy or budget:**

**(1) A levy excess.**

**(2) Surplus operating cash balances.**

**(3) Revenue received by the civil taxing unit under IC 6-3.5-1.1, IC 6-3.5-6, or IC 6-3.5-7.**

**(4) Any other levy adjustment determined by the department of local government finance to be extraordinary."**

Page 15, between lines 19 and 20, begin a new paragraph and insert:

**"SECTION 25. IC 6-1.1-18.5-13.7 IS ADDED TO TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13.7. (a) With respect to an appeal filed under section 12 of this chapter, the local government tax control board may recommend that the department of local government finance give permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the civil taxing unit meets the following criteria:**

**(1) The civil taxing unit's per capita ad valorem tax levy for the calendar year immediately preceding the ensuing calendar year is below the statewide average for similar civil taxing units in Indiana for the same year.**

**(2) Subject to subsection (b), the civil taxing unit's rate of population increase during the calendar year that immediately precedes the calendar year described in subdivision (1) is**

greater than the statewide rate of population increase during the same calendar year.

(b) For purposes of:

(1) determining a civil taxing unit's population during the year described in subsection (a)(2); and

(2) comparing that population to the population of the civil taxing unit during the calendar year immediately preceding that year, in order to compute a rate of population increase under subsection (a)(2);

the department of local government finance shall reduce the civil taxing unit's population by the amount of any population increase that is attributable to an annexation or other expansion of the civil taxing unit's territory that takes effect during the year described in subsection (a)(2).

(c) Notwithstanding IC 1-1-3.5, if the department of local government finance determines that information available from the Bureau of the Census is not sufficient for the purposes of making accurate determinations of population under this section, the civil taxing unit shall submit the information that the department considers necessary to make a determination under this subdivision."

Page 17, between lines 21 and 22, begin a new paragraph and insert:  
"SECTION 28. IC 6-1.1-22-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) The county treasurer shall either:

(1) mail to the last known address of each person liable for any property taxes or special assessment, as shown on the tax duplicate or special assessment records, or to the last known address of the most recent owner shown in the transfer book a statement of current and delinquent taxes and special assessments; or

(2) transmit by written, electronic, or other means to a mortgagee maintaining an escrow account for a person who is liable for any property taxes or special assessments, as shown on the tax duplicate or special assessment records a statement of current and delinquent taxes and special assessments.

(b) The county treasurer may include the following in the statement:

(1) An itemized listing for each property tax levy, including:

(A) the amount of the tax rate;

1 (B) the entity levying the tax owed; and

2 (C) the dollar amount of the tax owed.

3 (2) Information designed to inform the taxpayer or mortgagee  
4 clearly and accurately of the manner in which the taxes billed in the  
5 tax statement are to be used.

6 A form used and the method by which the statement and information,  
7 if any, are transmitted must be approved by the state board of accounts.  
8 The county treasurer may mail or transmit the statement and  
9 information, if any, one (1) time each year at least fifteen (15) days  
10 before the date on which the first or only installment is due. Whenever  
11 a person's tax liability for a year is due in one (1) installment under  
12 IC 6-1.1-7-7 or section 9 of this chapter, a statement that is mailed must  
13 include the date on which the installment is due and denote the amount  
14 of money to be paid for the installment. Whenever a person's tax  
15 liability is due in two (2) installments, a statement that is mailed must  
16 contain the dates on which the first and second installments are due and  
17 denote the amount of money to be paid for each installment.

18 (c) All payments of property taxes and special assessments shall be  
19 made to the county treasurer. The county treasurer, when authorized by  
20 the board of county commissioners, may open temporary offices for the  
21 collection of taxes in cities and towns in the county other than the  
22 county seat.

23 (d) Before July 1, 2004, the department of local government finance  
24 shall designate five (5) counties to participate in a pilot program to  
25 implement the requirements of subsection (e). The department shall  
26 immediately notify the county treasurer, county auditor, and county  
27 assessor in writing of the designation under this subsection. The  
28 legislative body of a county not designated for participation in the pilot  
29 program may adopt an ordinance to implement the requirements of  
30 subsection (e). The legislative body shall submit a copy of the  
31 ordinance to the department of local government finance, which shall  
32 monitor the county's implementation of the requirements of subsection  
33 (e) as if the county were a participant in the pilot program. The  
34 requirements of subsection (e) apply:

35 (1) only in:

36 (A) a county designated to participate in a pilot program under  
37 this subsection, for property taxes first due and payable after  
38 December 31, 2004, and before January 1, 2008; or

(B) a county adopting an ordinance under this subsection, for property taxes first due and payable after December 31, 2003, or December 31, 2004 (as determined in the ordinance), and before January 1, 2008; and

(2) in all counties for taxes first due and payable after December 31, 2007.

(e) Subject to subsection (d), regardless of whether a county treasurer transmits a statement of current and delinquent taxes and special assessments to a person liable for the taxes under subsection (a)(1) or to a mortgagee under subsection (a)(2), the county treasurer shall mail the following information to the last known address of each person liable for the property taxes or special assessments or to the last known address of the most recent owner shown in the transfer book. The county treasurer shall mail the information not later than the date the county treasurer transmits a statement for the property under subsection (a)(1) or (a)(2). The county treasurer, county auditor, and county assessor shall cooperate to generate the information to be included on the form. The information that must be provided is the following:

(1) A breakdown showing the total property tax and special assessment liability and the amount of the taxpayer's liability that will be distributed to each taxing unit in the county.

(2) A comparison showing any change in the assessed valuation for the property as compared to the previous year.

(3) A comparison showing any change in the property tax and special assessment liability for the property as compared to the previous year. The information required under this subdivision must identify:

(A) the amount of the taxpayer's liability distributable to each taxing unit in which the property is located in the current year and in the previous year; and

(B) the ~~percentage~~ change, if any, in the amount of the taxpayer's liability distributable to each taxing unit in which the property is located from the previous year to the current year.

(4) An explanation of the following:

(A) The homestead credit and all property tax deductions.

(B) The procedure and deadline for filing for the homestead credit and each deduction.

(C) The procedure that a taxpayer must follow to:

- 1 (i) appeal a current assessment; or
- 2 (ii) petition for the correction of an error related to the
- 3 taxpayer's property tax and special assessment liability.

4 (D) The forms that must be filed for an appeal or a petition  
5 described in clause (C).

6 The department of local government finance shall provide the  
7 explanation required by this subdivision to each county treasurer.

8 (5) A checklist that shows:

- 9 (A) the homestead credit and all property tax deductions; and
- 10 (B) whether the homestead credit and each property tax
- 11 deduction applies in the current statement for the property
- 12 transmitted under subsection (a)(1) or (a)(2).

13 (f) The information required to be mailed under subsection (e) must  
14 be simply and clearly presented and understandable to the average  
15 individual.

16 (g) A county that incurs:

- 17 (1) initial computer programming costs directly related to
- 18 implementation of the requirements of subsection (e); or
- 19 (2) printing costs directly related to mailing information under
- 20 subsection (e);

21 shall submit an itemized statement of the costs to the department of  
22 local government finance for reimbursement from the state. The  
23 treasurer of state shall pay a claim approved by the department of local  
24 government finance and submitted under this section on a warrant of  
25 the auditor of state. However, the treasurer of state may not pay any  
26 additional claims under this subsection after the total amount of claims  
27 paid reaches fifty thousand dollars (\$50,000).".

28 Page 18, delete lines 39 through 42, begin a new paragraph and  
29 insert:

30 "SECTION 31. IC 6-1.1-36-1.5 IS ADDED TO THE INDIANA  
31 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
32 [EFFECTIVE JULY 1, 2006]: **Sec. 1.5. (a) Subject to subsections (b)**  
33 **and (c), and except as provided in subsection (d), a document,**  
34 **including a form, a return, or a writing of any type, which must be**  
35 **filed by a due date under this article or IC 6-1.5, is considered to be**  
36 **filed by the due date if the document is:**

- 37 (1) received on or before the due date by the appropriate
- 38 recipient;

- 1           **(2) deposited in United States first class mail:**
- 2           **(A) properly addressed to the appropriate recipient;**
- 3           **(B) with sufficient postage; and**
- 4           **(C) postmarked by the United States Postal Service as mailed**
- 5           **on or before the due date;**
- 6           **(3) deposited with a nationally recognized express parcel**
- 7           **carrier and is:**
- 8           **(A) properly addressed to the appropriate recipient; and**
- 9           **(B) verified by the express parcel carrier as:**
- 10           **(i) paid in full for final delivery; and**
- 11           **(ii) received by the express parcel carrier on or before the**
- 12           **due date; or**
- 13           **(4) deposited to be mailed through United States registered**
- 14           **mail, United States certified mail, or United States certificate**
- 15           **of mailing:**
- 16           **(A) properly addressed to the appropriate recipient;**
- 17           **(B) with sufficient postage; and**
- 18           **(C) with a date of registration, certification, or certificate, as**
- 19           **evidenced by any record authenticated by the United States**
- 20           **Postal Service, on or before the due date.**
- 21           **For purposes of this subsection, "postmarked" does not mean the**
- 22           **date printed by a postage meter that affixes postage to the envelope**
- 23           **or package containing a payment.**
- 24           **(b) If a document is mailed through the United States mail and is**
- 25           **physically received after the due date without a legible correct**
- 26           **postmark, the person who mailed the document is considered to**
- 27           **have filed the document on or before the due date if the person can**
- 28           **show by reasonable evidence that the document was deposited in**
- 29           **the United States mail on or before the due date.**
- 30           **(c) If a document is sent via the United States mail or a nationally**
- 31           **recognized express parcel carrier but is not received by the**
- 32           **designated recipient, the person who sent the document is**
- 33           **considered to have filed the document on or before the due date if**
- 34           **the person:**
- 35           **(1) can show by reasonable evidence that the document was**
- 36           **deposited in the United States mail, or with the express parcel**
- 37           **carrier, on or before the due date; and**
- 38           **(2) files a duplicate document within thirty (30) days after the**

1           **date the person is notified that the document was not received.**

2           **(d) This section does not apply to a payment addressed in**  
 3           **IC 6-1.1-37-10(f).**

4           SECTION 32. IC 6-1.1-37-10 IS AMENDED TO READ AS  
 5           FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 10. (a) Except as  
 6           provided in section 10.5 of this chapter, if an installment of property  
 7           taxes is not completely paid on or before the due date, a penalty equal  
 8           to ten percent (10%) of the amount of delinquent taxes shall be added  
 9           to the unpaid portion in the year of the initial delinquency.

10          (b) With respect to property taxes due in two (2) equal installments  
 11          under IC 6-1.1-22-9(a), on the day immediately following the due dates  
 12          in May and November of each year following the year of the initial  
 13          delinquency, an additional penalty equal to ten percent (10%) of any  
 14          taxes remaining unpaid shall be added. With respect to property taxes  
 15          due in installments under IC 6-1.1-22-9.5, an additional penalty equal  
 16          to ten percent (10%) of any taxes remaining unpaid shall be added on  
 17          the day immediately following each date that succeeds the last  
 18          installment due date by:

19               (1) six (6) months; or

20               (2) a multiple of six (6) months.

21          (c) The penalties under subsection (b) are imposed only on the  
 22          principal amount of the delinquent taxes.

23          (d) If the department of local government finance determines that an  
 24          emergency has occurred which precludes the mailing of the tax  
 25          statement in any county at the time set forth in IC 6-1.1-22-8, the  
 26          department shall establish by order a new date on which the installment  
 27          of taxes in that county is due and no installment is delinquent if paid by  
 28          the date so established.

29          (e) If any due date falls on a Saturday, a Sunday, a national legal  
 30          holiday recognized by the federal government, or a statewide holiday,  
 31          the act that must be performed by that date is timely if performed by the  
 32          next succeeding day that is not a Saturday, a Sunday, or one (1) of  
 33          those holidays.

34          (f) **Subject to subsections (g) and (h),** a payment to the county  
 35          treasurer is considered to have been paid by the due date if the payment  
 36          is:

37               (1) received on or before the due date ~~to~~ by the county treasurer or  
 38               a collecting agent appointed by the county treasurer;

- 1 (2) deposited in ~~the~~ United States **first class** mail:
- 2 (A) properly addressed to the principal office of the county
- 3 treasurer;
- 4 (B) with sufficient postage; and
- 5 (C) ~~certified or~~ postmarked by the United States Postal Service
- 6 as mailed on or before the due date; ~~or~~
- 7 (3) deposited with a nationally recognized express parcel carrier
- 8 and is:
- 9 (A) properly addressed to the principal office of the county
- 10 treasurer; and
- 11 (B) verified by the express parcel carrier as:
- 12 (i) paid in full for final delivery; and
- 13 (ii) received **by the express parcel carrier** on or before the
- 14 due date;
- 15 **(4) deposited to be mailed through United States registered**
- 16 **mail, United States certified mail, or United States certificate**
- 17 **of mailing:**
- 18 **(A) properly addressed to the principal office of the county**
- 19 **treasurer;**
- 20 **(B) with sufficient postage; and**
- 21 **(C) with a date of registration, certification, or certificate, as**
- 22 **evidenced by any record authenticated by the United States**
- 23 **Postal Service, on or before the due date; or**
- 24 **(5) made by an electronic fund transfer and the taxpayer's**
- 25 **bank account is charged on or before the due date.**
- 26 For purposes of this subsection, "postmarked" does not mean the date
- 27 printed by a postage meter that affixes postage to the envelope or
- 28 package containing a payment.
- 29 **(g) If a payment is mailed through the United States mail and is**
- 30 **physically received after the due date without a legible correct**
- 31 **postmark, the person who mailed the payment is considered to**
- 32 **have made the payment on or before the due date if the person can**
- 33 **show by reasonable evidence that the payment was deposited in the**
- 34 **United States mail on or before the due date.**
- 35 **(h) If a payment is sent via the United states mail or a nationally**
- 36 **recognized express parcel carrier but is not received by the**
- 37 **designated recipient, the person who sent the payment is**
- 38 **considered to have made the payment on or before the due date if**



1     **the person:**

2         **(1) can show by reasonable evidence that the payment was**  
 3         **deposited in the United States mail, or with the express parcel**  
 4         **carrier, on or before the due date; and**

5         **(2) makes a duplicate payment within thirty (30) days after the**  
 6         **date the person is notified that the payment was not received.**

7     SECTION 33. IC 6-1.1-40-10 IS AMENDED TO READ AS  
 8     FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 10. (a) **Subject to**  
 9     **subsection (e)**, an owner of new manufacturing equipment or  
 10    inventory, or both, whose statement of benefits is approved is entitled  
 11    to a deduction from the assessed value of that equipment and inventory  
 12    for a period of ten (10) years. Except as provided in subsections (c) and  
 13    (d), **and subject to subsection (e)**, for the first five (5) years, the  
 14    amount of the deduction for new manufacturing equipment that an  
 15    owner is entitled to for a particular year equals the assessed value of the  
 16    new manufacturing equipment. **Subject to subsection (e)**, for the sixth  
 17    through the tenth year, the amount of the deduction equals the product  
 18    of:

19        (1) the assessed value of the new manufacturing equipment;  
 20        multiplied by

21        (2) the percentage prescribed in the following table:

22                   YEAR OF DEDUCTION	PERCENTAGE
23                   6th	100%
24                   7th	95%
25                   8th	80%
26                   9th	65%
27                   10th	50%
28                   11th and thereafter	0%

29        (b) For the first year the amount of the deduction for inventory equals  
 30        the assessed value of the inventory. For the next nine (9) years, the  
 31        amount of the deduction equals:

32           (1) the assessed value of the inventory for that year; multiplied by

33           (2) the owner's export sales ratio for the previous year, as certified  
 34           by the department of state revenue under IC 6-3-2-13.

35        (c) A deduction under this section is not allowed in the first year the  
 36        deduction is claimed for new manufacturing equipment to the extent  
 37        that it would cause the assessed value of all of the personal property of  
 38        the owner in the taxing district in which the equipment is located to be

1 less than the assessed value of all of the personal property of the owner  
2 in that taxing district in the immediately preceding year.

3 (d) If a deduction is not fully allowed under subsection (c) in the first  
4 year the deduction is claimed, then the percentages specified in  
5 subsection (a) apply in the subsequent years to the amount of deduction  
6 that was allowed in the first year.

7 **(e) For purposes of subsection (a), the assessed value of new**  
8 **manufacturing equipment that is part of an owner's assessable**  
9 **depreciable personal property in a single taxing district subject to**  
10 **the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 is the**  
11 **product of:**

12 **(1) the assessed value of the equipment determined without**  
13 **regard to the valuation limitation in 50 IAC 4.2-4-9 or 50**  
14 **IAC 5.1-6-9; multiplied by**

15 **(2) the quotient of:**

16 **(A) the amount of the valuation limitation determined under**  
17 **50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 for all of the owner's**  
18 **depreciable personal property in the taxing district; divided**  
19 **by**

20 **(B) the total true tax value of all of the owner's depreciable**  
21 **personal property in the taxing district that is subject to the**  
22 **valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9**  
23 **determined:**

24 **(i) under the depreciation schedules in the rules of the**  
25 **department of local government finance before any**  
26 **adjustment for abnormal obsolescence; and**

27 **(ii) without regard to the valuation limitation in 50**  
28 **IAC 4.2-4-9 or 50 IAC 5.1-6-9.**

29 **SECTION 34. IC 6-1.5-4-2 IS ADDED TO THE INDIANA CODE**  
30 **AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE**  
31 **UPON PASSAGE]: Sec. 2. In order to obtain information that is**  
32 **necessary to the Indiana board's conduct of a necessary or proper**  
33 **inquiry, the Indiana board or a board administrative law judge**  
34 **may:**

35 **(1) subpoena and examine witnesses;**

36 **(2) administer oaths; and**

37 **(3) subpoena and examine books or papers that are in the**  
38 **hands of any person.**

SECTION 35. IC 6-1.5-5-2, AS AMENDED BY P.L.199-2005,  
SECTION 15, IS AMENDED TO READ AS FOLLOWS  
[EFFECTIVE UPON PASSAGE]: Sec. 2. (a) After receiving a petition  
for review that is filed under a statute listed in section 1(a) of this  
chapter, the Indiana board shall, at its earliest opportunity:

(1) conduct a hearing; or

(2) cause a hearing to be conducted by an administrative law judge.

The Indiana board may determine to conduct the hearing under  
subdivision (1) on its own motion or on request of a party to the appeal.

(b) In its resolution of a petition, the Indiana board may:

(1) assign:

(A) full;

(B) limited; or

(C) no;

evidentiary value to the assessed valuation of tangible property  
determined by stipulation submitted as evidence of a comparable  
sale; and

(2) correct any errors that may have been made, and adjust the  
assessment in accordance with the correction.

(c) The Indiana board shall give notice of the date fixed for the  
hearing by mail to:

(1) the taxpayer;

(2) the department of local government finance; and

(3) the appropriate:

(A) township assessor;

(B) county assessor; and

(C) county auditor.

(d) With respect to an appeal of the assessment of real property or  
personal property filed after June 30, 2005, the notices required under  
subsection (c) must include the following:

(1) The action of the department of local government finance with  
respect to the appealed items.

(2) A statement that a taxing unit receiving the notice from the  
county auditor under subsection (e) may:

(A) attend the hearing;

(B) offer testimony; and

(C) file an amicus curiae brief in the proceeding.

~~A taxing unit that receives a notice from the county auditor under~~

1 ~~subsection (c) is not a party to the appeal.~~

2 (e) If, after receiving notice of a hearing under subsection (c), the  
3 county auditor determines that the assessed value of the appealed items  
4 constitutes at least one percent (1%) of the total gross certified assessed  
5 value of a particular taxing unit for the assessment date immediately  
6 preceding the assessment date for which the appeal was filed, the  
7 county auditor shall send a copy of the notice to the affected taxing  
8 unit. **A taxing unit that receives a notice from the county auditor**  
9 **under this subsection is not a party to the appeal.** Failure of the  
10 county auditor to send a copy of the notice to the affected taxing unit  
11 does not affect the validity of the appeal or delay the appeal.

12 (f) The Indiana board shall give the notices required under subsection  
13 (c) at least thirty (30) days before the day fixed for the hearing.

14 SECTION 36. IC 6-1.5-5-5, AS AMENDED BY P.L.199-2005,  
15 SECTION 16, IS AMENDED TO READ AS FOLLOWS  
16 [EFFECTIVE UPON PASSAGE]: Sec. 5. After the hearing, the  
17 Indiana board shall give the petitioner, the township assessor, the  
18 county assessor, the county auditor, ~~the affected taxing units required~~  
19 ~~to be notified under section 2(c) of this chapter;~~ and the department of  
20 local government finance:

21 (1) notice, by mail, of its final determination, findings of fact, and  
22 conclusions of law; and

23 (2) notice of the procedures the petitioner or the department of  
24 local government finance must follow in order to obtain court  
25 review of the final determination of the Indiana board.

26 **The county auditor shall provide copies of the documents described**  
27 **in subdivisions (1) and (2) to the taxing units entitled to notice**  
28 **under section 2(e) of this chapter.**

29 SECTION 37. IC 6-1.5-5-6 IS AMENDED TO READ AS  
30 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 6. (a) The Indiana  
31 board shall conduct a hearing or cause a hearing to be conducted within  
32 six (6) months after a petition in proper form is filed with the Indiana  
33 board, excluding any time due to a delay reasonably caused by the  
34 petitioner.

35 (b) The Indiana board shall make a final determination within the  
36 later of forty-five (45) days after the hearing or the date set in an  
37 extension order issued by the Indiana board. However, the Indiana  
38 board may not extend the final determination date by more than one

1 hundred eighty (180) days.

2 **(c) The failure of the Indiana board to conduct a hearing within**  
 3 **the period prescribed in this section does not constitute notice to**  
 4 **the person of an Indiana board final determination.**

5 ~~(c) The failure of~~ **(d) If the Indiana board fails to make a final**  
 6 **determination within the time allowed by this section shall be treated**  
 7 **as a final determination of after a hearing, the entity that initiated**  
 8 **the petition may:**

9 **(1) take no action and wait for the Indiana board to deny the**  
 10 **petition; make a final determination; or**

11 **(2) initiate a proceeding for judicial review by taking the action**  
 12 **required by IC 6-1.1-15-5(b) at any time after the maximum**  
 13 **time elapses.**

14 **(e) If:**

15 **(1) a judicial proceeding is initiated under subsection (d); and**

16 **(2) the Indiana board has not issued a determination;**

17 **the tax court shall determine the matter de novo."**

18 Page 19, delete lines 1 through 3.

19 Page 19, line 5, after "as" insert "**added or**".

20 Page 19, between lines 17 and 18, begin a new line block indented  
 21 and insert:

22 **"(12) IC 6-1.1-12.1-4.5.**

23 **(13) IC 6-1.1-17-5.**

24 **(14) IC 6-1.1-17-15.2."**

25 Page 19, line 18, delete "(12)" and insert "**(15)**".

26 Page 19, between lines 18 and 19, begin a new line block indented  
 27 and insert:

28 **"(16) IC 6-1.1-18.5-13.7."**

29 Page 19, line 19, delete "(13)" and insert "**(17)**".

30 Page 19, line 20, delete "(14)" and insert "**(18)**".

31 Page 19, between lines 20 and 21, begin a new line block indented  
 32 and insert:

33 **"(19) IC 6-1.1-40-10.**

34 **SECTION 39. [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]**  
 35 **IC 6-1.1-4-12, as amended by this act, applies only to assessment**  
 36 **dates after December 31, 2005.**

37 **SECTION 40. [EFFECTIVE UPON PASSAGE] (a) This SECTION**  
 38 **applies notwithstanding IC 6-1.1-8 or 50 IAC 5.1.**

1       (b) As used in this SECTION, "amended return" means a  
2       return:

3           (1) that was filed after July 31, 2005; and

4           (2) that the department accepts as a taxpayer's final amended  
5       return for the assessment date.

6       (c) As used in this SECTION, "assessment date" means the  
7       March 1, 2005, assessment date.

8       (d) As used in this SECTION, "department" refers to the  
9       department of local government finance.

10      (e) As used in this SECTION, "return" means the statement of  
11      value and description of property required under IC 6-1.1-8-19  
12      that is filed on the Annual Report (U.D. Form 45), as prescribed by  
13      the department, and is filed with the department on or before July  
14      31, 2005.

15      (f) As used in this SECTION, "taxpayer" means a taxpayer that  
16      meets the requirements of subsection (g).

17      (g) This SECTION applies to any taxpayer that:

18           (1) is a public utility that provides water utility services in  
19           Indiana and is subject to taxation under IC 6-1.1-8;

20           (2) is required to file a return under IC 6-1.1-8-19;

21           (3) filed a return with the department with respect to the  
22           assessment date; and

23           (4) filed an amended return with the department with respect  
24           to the assessment date.

25      (h) Before June 1, 2006, the department shall review the assessed  
26      value identified on line 47 of the taxpayer's amended return as the  
27      assessed value of all the taxpayer's distributable property as of the  
28      assessment date. If the department determines that this assessed  
29      value:

30           (1) is correct; and

31           (2) is less than the assessed value identified in the taxpayer's  
32           return as the assessed value of all the taxpayer's distributable  
33           property as of the assessment date;

34      the taxpayer is entitled to a credit under this SECTION.

35      (i) Before July 1, 2006, the department shall determine the  
36      amount of the credit to which a taxpayer is entitled under this  
37      SECTION and notify the county auditor of that amount. For  
38      purposes of this subsection, the department shall assume that the

1 taxpayer will pay the full amount of the taxpayer's installment or  
2 installments of property taxes first due and payable after June 30,  
3 2006, and before January 1, 2007.

4 (j) The amount of the credit under this SECTION:

5 (1) is the remainder of:

6 (A) the amount of property taxes the taxpayer pays with  
7 respect to its distributable property for taxes first due and  
8 payable in 2006; minus

9 (B) the amount of property taxes for which the taxpayer  
10 would have been liable with respect to its distributable  
11 property for taxes first due and payable in 2006 if those  
12 property taxes had been based on the assessed value  
13 identified on line 47 of the taxpayer's amended return instead  
14 of the assessed value identified in the taxpayer's return; and

15 (2) applies proportionately to the taxpayer's installments of  
16 property taxes first due and payable in 2007.

17 (k) Interest does not apply in the determination of the amount of  
18 the credit under this SECTION.

19 (l) The county auditor shall adjust the assessed value used in  
20 setting property tax rates for each political subdivision in the  
21 county for property taxes first due and payable in 2007 to eliminate  
22 levy reductions that would otherwise result from the application of  
23 credits under this SECTION.

24 (m) In setting property tax rates for property taxes first due and  
25 payable in 2007 for each political subdivision in the county, the  
26 department shall:

27 (1) use the assessed value as adjusted by the county auditor  
28 under subsection (l); or

29 (2) further adjust the assessed value for the following purposes:

30 (A) To ensure the elimination of levy reductions that would  
31 otherwise result from the application of credits under this  
32 SECTION.

- 1           **(B) To account for a failure of the taxpayer to pay property**
- 2           **taxes in the amount assumed under subsection (i)."**
- 3           Renumber all SECTIONS consecutively.  
              (Reference is to SB 260 as introduced.)

**and when so amended that said bill do pass.**

Committee Vote: Yeas 11, Nays 0.

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**Kenley**

**Chairperson**